

Feoffees of the Grammar School in the Town of Ipswich Trust

Meeting of Thursday, April 30, 2015

Ipswich Town Hall, 25 Green Street

Approved – August 10, 2015

Pursuant to the Open Meeting Law, M.G.L. Chapter 30A, §§ 18 - 25, written notice posted by the Town Clerk and delivered to all Feoffees, a meeting of the Feoffees of the Grammar School in the Town of Ipswich Trust was held on Thursday, **April 30, 2015** at 7:30 P.M. in the Town Manager's Conference Room on the second floor of Town Hall.

Public information:

Agenda

Performance Summary January 1, 2015 – March 31, 2015

Feoffees of the Grammar School Trust Performance Summary January 1, 2015 – March 31, 2015

Settlement Agreement and Mutual Release

Minutes – March 12, 2015 & Executive Session minutes, 2013, 2014, 2015

Call to Order

With a quorum present, Mr. Markos called the meeting to order at 7:33 P.M.

Present: George Markos, Chair; Greg Stevens, Treasurer; Tracy Filosa; Tom Reardon; Ellen Rose; Joe Tragert

Not Present: Seth Ward

Also Present: Catherine Tinsley, Secretary

Citizen Queries

School Committee Chair, Barry Hopping was present during Citizen Queries to acknowledge the Feoffees Oversight of the Trust investments stating, "It looks extremely good."

Mr. Hopping briefly talked about the benefits of the enrichment programs that the Trust money funds in the Ipswich Public Schools that would not be done otherwise, adding Teachers are currently submitting applications for grants.

Presentation of Financials

Feoffees of the Grammar School Trust Performance Summary January 1, 2015 – March 31, 2015

Mr. Stevens provided the Performance Summary of the first quarter for review. This report is a part of the minutes.

- It was noted the Proceeds and Legal Fees for the litigation and mediation regarding the Wastewater System Escrow were not included; Mr. Stevens will add this expense and income to the Summary. It was also noted that the legal expense and proceeds related to the Wastewater System Escrow are part of the original closing transaction. The closing amount and starting corpus will be adjusted in the next (June 30, 2015) Audit. The net effect is an increase in the starting corpus of \$30,000.
- One mortgage was paid this quarter; 17 remain outstanding.
- One foreclosure process has stopped; the house is being sold with a closing date in May 2015. It was noted the Little Neck Condominium Association has first claim on any lien.
- Three Demand Letters were issued for late payments on the Use & Occupancy Loans.

Mr. Reardon moved and it was seconded to accept the Feoffees of the Grammar School Trust Performance Summary January 1, 2015 – March 31, 2015 as amended to include the Legal Expenses and Wastewater Escrow Proceeds. The motion carried unanimously.

Ms. Rose moved, and it was seconded, the Feoffees of the Grammar School Trust Performance Summary January 1, 2015 – March 31, 2015 be distributed to the Board of Selectmen, Finance Committee, and School Committee. The motion carried unanimously.

Approval of minutes

a) March 12, 2015

b) Release Executive Session (ES) Minutes Re: Septic Dispute

Ms. Rose moved to approve the minutes of March 12, 2015 and it was unanimous to do so

Mr. Tragert stated that the ES minutes before the Feoffees for release were all related to the Wastewater system litigation. All of the ES minutes have been approved by the Feoffees in previous meetings. Since the purpose for which the ES were held no longer exists, the following ES minutes could be released.

Mr. Reardon moved the ES minutes be release for the following meetings and it was unanimous to do so:

September 5, 2012 January 23, 2014 January 15, 2015

September 10, 2012 October 30, 2014

February 12, 2013 November 13, 2014

March 26, 2013

May 29, 2013

June 20, 2013

September 4, 2013

October 29, 2013

Mr. Tragert will confirm these are posted to the Town's Web site. The Escrow Settlement dated February 2015 is an official record and a part of these minutes.

Report Annual Distribution to Schools Pursuant to Trust Administration Order: Para. 5(x) - Attached

The Feoffees discussed the importance of acknowledging the Manning Trust as a generous gift with a distribution of \$11,307 for 2015.

The Paine Trust portion of the distribution is \$700,618 for 2015.

The distribution will be made on June 30, 2015 at the School Committee meeting. The Press will be invited to attend.

It was agreed to present the School Committee with an overlarge check made out in the amount of the distribution.

Ms. Rose will look into this process.

The Feoffees will put on the next meeting agenda to discuss creating a donor sheet for public release and other gifting opportunities.

Any Unanticipated Business to Come Before the Feoffees

Chairman Markos reported he received notification that Greg Stevens, Ellen Rose (for Peter Twining), and Tracy Filosa terms are up this August 2015.

Next Meeting

The next meeting of the Feoffees was tentatively scheduled for July 22, 2015

Adjournment

Ms. Filosa moved to adjourn at 8:23 PM and it was unanimous to do so.

Respectfully submitted by

Catherine Tinsley
5.1.15

Distribution Policy

- 1) Restriction of Distributions: The original principal shall be increased annually by the assumed rate of inflation to establish a "Baseline Value". No distribution shall be made which would cause the then current value of the Trust to be less than the Baseline Value.

Original principal: \$21,810,016 – per the June 30, 2014 audited financial statements

3 years of inflation defined by CPI-U Boston-Brockton-Nashua (May measurement date):

Fiscal year	Prior Year Inflation (as of May)	Baseline Value
2012		\$21,810,016
2013	0.85%	\$21,994,850
2014	1.92%	\$22,418,181
2015	1.65%	\$23,207,805*

*Note: includes Paine Trust corpus (grown by inflation) + Manning Fund corpus: \$419,778

- 2) Establishment of Reserve Account: 5% of the initial principal shall be segregated to establish a fixed value for the Reserve Account ("RA"). The Reserve Account shall be used as the mechanism for smoothing distributions during periods of insufficient investment returns.

Reserve Account: 5% of (\$21,810,016 + \$419,778) = \$1,111,490

- 3) Target Distribution: The initial distribution to the Schools shall be three percent (3%) of the average market value of the Trust for the previous 9 trailing calendar quarters ("AMV" as of March 31st ("Measurement Date"), reduced by the RA.

Prior 9 trailing calendar quarters:

Quarter ending		Paine Trust Value	Manning Trust Value	Total Trust Value
1.	3/31/2013	\$22,369,194		\$22,369,194
2.	6/30/2013	\$22,423,693		\$22,423,693
3.	9/30/2013	\$23,335,848		\$23,335,848
4.	12/31/2013	\$24,802,047		\$24,802,047
5.	3/31/2014	\$25,108,529		\$25,108,529
6.	6/30/2014	\$26,085,965		\$26,085,965
7.	9/30/2014	\$25,654,824		\$25,654,824
8.	12/31/2014	\$26,010,418	\$419,778	\$26,430,196
9.	3/31/2015	\$26,935,817	\$434,712	\$27,370,529
Average				\$24,842,314

3% of (AMV – RA) = 3% * (\$24,842,314 - \$1,111,490) = **\$711,925**

Paine Trust portion of the distribution: \$700,618; Manning Trust Distribution: \$11,307. (Effective spending 2.7%)

Trust Value after distribution: \$26,658,604 > \$23,207,805 Baseline Value